

For: State and County Offices

Instructions for Estimating Peanut Repayment of Warehouse-Stored Peanut Loans

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Notice LP-1943 provided instructions for accepting repayment of Segregation 1 (Seg. 1) warehouse-stored peanuts based on the estimated repayment amount. The estimated repayment amount is calculated by multiplying the outstanding loan quantity times the National Posted Price (NPP) and not reducing the estimated amount by the storage credit. This method of estimating repayment does not take into account the premiums, discounts, and the adjustments because of the loose shelled kernels.

In response to the request from the peanut industry, a modified method of estimating repayment to more closely reflect the actual repayment amount has been developed. The repayment estimates shall be determined by any of the following methods:

- manually, by completing the worksheet in Exhibit 1
- using an Excel spreadsheet in Exhibit 2
- according to instructions issued in Notice LP-1943.

All repayments accepted according to Notice LP-1943 are acceptable and shall **not** be revised until the repayment is recorded in APSS once the modified software has been released.

B Purpose

This notice provides County Offices with instructions on alternative methods for estimating repayment of Seg. 1 peanut warehouse-stored loan.

Disposal Date	Distribution
August 1, 2005	State Offices; State Offices relay to County Offices and FAX to Peanut CMA's and DMA's
11-24-03	

2 Estimating Peanut Repayments

A Methods of Estimating Peanut Repayment

County Offices shall:

- estimate peanut repayments using data from APSS and other information required to complete the worksheet or spreadsheet
- use either of the following methods for estimating repayments:
 - manually, by completing the worksheet according to Exhibit 1
 - using an Excel spreadsheet, *RepaymentEstimate.xls* file, take the following action.

Step	Action
1	Download the Excel spreadsheet from http://www.fsa.usda.gov/dafp/psd/Peanut.html .
2	Save the spreadsheet to your PC.
3	Select the peanut type tab at the bottom of the spreadsheet that corresponds to the peanut type being processed. Note: Exhibit 2 provides an example of the spreadsheet. Item 4 of the spreadsheet will have the national loan rate applicable to the peanut type.
4	Complete the spreadsheet following the instructions in the spreadsheet.

Both the worksheet and the spreadsheet provide the documentation and data required to complete the estimated repayment amount. To complete the worksheet or spreadsheet, use APSS to determine the following:

- the peanut type
- Section A, items 1, 2, and 9 of the worksheet or spreadsheet
- Section B, items 1, 2, 8, and 12 of the worksheet or spreadsheet.

Provide all other required information indicated in the worksheet or spreadsheet.

2 Estimating Peanut Repayments (Continued)

B Data Needed to Complete the Worksheet and Spreadsheet

IF the national loan rate is...	THEN do the following...	
greater than or equal to NPP	Step	Action
	1	Access the Price Support-Loan Repayment Menu PPD00000 in APSS according to 12-PS, and select option 3, "Market Price Repayment".
	2	Complete all succeeding screens until Screen PPD6440 is displayed.
	3	Screen print Screen PPD6440.
	4	ENTER "N" to the question, "Do you wish to complete this repayment?"
less than NPP	5	Complete Section A of the worksheet or spreadsheet using information from APSS Screen PPD6440 and other information indicated in the worksheet.
	1	Access the Price Support-Loan Repayment Menu PPD00000 in APSS according to 12-PS, and select option 1, "Regular Repayment".
	2	Complete all succeeding screens until Screen PPD13800 is displayed.
	3	Screen print Screen PPD13800.
	4	ENTER "N" to the question, "Do you wish to complete this repayment?"
	5	Complete Section B of the worksheet or spreadsheet using the information from APSS Screen PPD13800 and other information indicated in the worksheet.

C Repayment Based on Estimates Using the Worksheet

County Offices shall:

- accept the estimated repayment determined by using the worksheet or spreadsheet
- explain to the producer or the person authorized to redeem the loan that the estimated repayment can result in a refund or collection of outstanding amount due.

Worksheet to Estimate Peanut Repayment for Peanuts: 2003 Crop Year**Producer Name:****Loan Number:****Disbursement Date:****Repayment Date:**

A. NATIONAL LOAN RATE >=NPP		
Enter Peanut Type		
1. Enter Principal Liquidated	From Screen PPD64400 from APSS	\$
2. Enter Quantity Liquidated (tons)	From Screen PPD64400 from APSS	
3. Calculate Average Loan Rate	Item 1 divided by item 2	\$
4. Enter the National Loan Rate for the Applicable Peanut Type	National Loan Rate: Virginia = \$353.27; Runner = \$355.98; Spanish = \$338.67; Valencia = \$353.27	\$
5. Enter the National Posted Price for the Applicable Peanut Type		\$
6. Calculate Repayment Adjustment	Item 3 minus item 4	\$
7. Calculate CCC Determined Value	Item 5 plus/minus item 6	\$
8. Calculate Gross Repayment Amount	Item 2 times item 7	\$
9. Enter Storage Deduction Applied	From Screen PPD 64400 from APSS	\$
10. Calculate Estimated Repayment Amount	Item 8 minus item 9	\$
11. Calculate Market Gain	Item 1 minus item 8	\$
Note: Market Gain is subject to Payment Limitations unless repaid using Commodity Certificate Repayment.		
B. NATIONAL LOAN RATE < NPP		
Enter Peanut Type		
1. Enter Principal Liquidated	From Screen PPD13800 from APSS	\$
2. Enter Quantity Liquidated (tons)	From Screen PPD13800 from APSS	
3. Calculate Average Loan Rate	Item 1 divided by item 2	\$
4. Enter the National Loan Rate for the Applicable Peanut Type	National Loan Rate: Virginia = \$353.27; Runner = \$355.98; Spanish = \$338.67; Valencia = \$353.27	\$
5. Enter the National Posted Price for the Applicable Peanut Type		\$
6. Calculate Repayment Adjustment	Item 3 minus item 4	\$
7. Calculate CCC Determined Value	Item 5 plus/minus item 6	\$
8. Enter Interest Due	From Screen PPD13800 from APSS	\$
9. Calculate Gross Repayment at P+I	Item 1 plus item 8	\$
10. Calculate Gross Repayment at NPP	Item 2 times item 7	\$
11. Enter the lower of Repayment at P+ I or Repayment at NPP		\$
12. Enter Storage Deduction Applied	From Screen PPD13800 from APSS	\$
13. Calculate Estimated Repayment	Item 11 minus item 12	\$
Note: Interest due shall be adjusted so that repayment at P+ I shall not be greater than repayment at NPP. If applicable, a portion of interest due will be forgiven.		

Note: This worksheet may be reproduced locally.

Spreadsheet to Estimate Repayment for Peanuts: 2003 Crop Year

SPREADSHEET TO ESTIMATE REPAYMENT FOR PEANUTS: 2003 CROP YEAR

Producer Name: Mr. Farmer Jones

Loan No. 101

Disbursement Date 9/25/03

Repayment Date 11/1/03

A. NATIONAL LOAN RATE >= NPP

Enter Peanut Type	RUNNER	
1. Enter Principal Liquidated	from Screen PPD64400 from APSS	\$3,717.67
2. Enter Quantity Liquidated (tons)	from Screen PPD64400 from APSS	10.22
3. Average Loan Rate	Item 1 divided by Item 2	\$363.7642
4. National Loan Rate for Runner Peanuts		\$355.98
5. Enter NPP Rate for Runner Peanuts		\$355.98
6. Repayment Adjustment	Item 3 minus item 4	\$7.7842
7. CCC Determined Value	Item 5 plus item 6	\$363.7642
8. Gross Repayment Amount	Item 2 times item 7	\$3,717.67
9. Enter Storage Deduction Applied	from Screen PPD64400 from APSS	\$15.63
10. Estimated Repayment Amount	Item 8 minus item 9	\$3,702.04
11. Market Gain	Item 1 minus item 8	\$0.00

Note: Market Gain is Subject to Payment Limitations unless the loan is repaid using Commodity Certificate Repayment

B. NATIONAL LOAN RATE < NPP

Enter Peanut Type	RUNNER	
1. Enter Principal Liquidated	from Screen PPD13800 from APSS	\$1,710.00
2. Enter Quantity Liquidated (tons)	from Screen PPD13800 from APSS	5.00
3. Average Loan Rate	Item 1 divided by item 2	\$342.0000
4. National Loan Rate for Runner Peanuts		\$355.98
5. Enter NPP Rate for Runner Peanuts		\$357.00
6. Repayment Adjustment	Item 3 minus item 4	-\$13.9800
7. CCC Determined Value	Item 5 plus item 6	\$343.0200
8. Enter Interest Due	from Screen PPD13800 from APSS	\$18.05
9. Gross Repayment (at P+ I)	Item 1 plus item 8	\$1,728.05
10. Gross Repayment (at NPP)	Item 2 times item 7	\$1,715.10
11. The lower of Repayment at P+I or at NPP	Lower of item 9 or item 10	\$1,715.10
12. Enter Storage Deduction Applied	from Screen PPD13800 from APSS	\$18.05
13. Estimated Repayment Amount	Item 11 minus item 12	\$1,697.05

Note: Interest due shall be adjusted so that repayment at P+I shall not be greater than repayment at NPP. If applicable, a portion of the interest due will be forgiven.